

DEPARTMENT OF WATER RESOURCES

CALIFORNIA ENERGY RESOURCES SCHEDULING
P.O. BOX 219001
3310 EL CAMINO AVENUE, SUITE 120
SACRAMENTO, CA 95821-9001
(916) 574-1291

**INVITATION FOR BID 10111040
CERS NATURAL GAS MANAGEMENT EVALUATION*****TO ALL PROSPECTIVE BIDDERS*****May 1, 2006**

The California Department of Water Resources, through its California Energy Resources Scheduling division (DWR/CERS) invites a qualified consultant or consulting firm with extensive knowledge and expertise in the natural gas market in the Western United States to submit a proposal. The consultant must be an expert in gas supplies, pipeline transportation and storage serving California and have a thorough knowledge of natural gas risk management, natural gas transactions, value-at-risk calculations and mark-to-market reporting. The successful candidate will monitor, evaluate and provide advice on DWR/CERS' current natural gas activities and processes to ensure they are in accordance with best industry practices.

A copy of the Invitation for Bid 10111040 is enclosed. The IFB contains a description of the qualifications required and directions for preparation and submittal of your response.

The Bid Package submittal deadline is 4:00 PM on 05/22/2006 delivered to the following address:

Department of Water Resources
California Energy Resources Scheduling
3310 El Camino Avenue, Suite 120
Sacramento, CA 95821-9001
Attn: Stephanie King

The consultant may be required to work independently or partner with other DWR/CERS employees or consultant but always at the direction of CERS.

The anticipated term of this agreement is July 1, 2006 through December 31, 2006.

The DWR/CERS reserves the right to terminate or modify this IFB up to and including the date and time proposals are due.

You will note that in the attached (STD. 213), a copy of the General Terms and Conditions is not provided. The General Terms and Conditions (GTC 306) are available at Internet site <http://www.ols.dgs.ca.gov/standard+language> and may be downloaded and printed for your

files. These terms and conditions will become a part of the contract. If you do not have Internet capabilities, you may request a hard copy by contacting the person listed below.

The Contractor Certification Clauses (CCC), available at the Internet site referenced above, contain clauses and conditions that may apply to this agreement and to person(s) doing business with the State of California. If awarded the contract, the selected bidder must sign and return Page One of the CCC 1005. The Certification will be kept on file in a central location and must be renewed every three (3) years or updated as changes occur.

For questions regarding services to be performed, please follow instructions in Section 1 of the enclosed IFB.

Sincerely,

Viju Patel
Acting Deputy Director

Enclosure

**DISABLED VETERANS BUSINESS
ENTERPRISE PREFERENCE PROGRAM**

The DVBE Participation Program has been waived. The Department (DWR) has determined that the application of the provisions of the California Government Code and the California Public Contract Code applicable to State contracts to this Agreement is detrimental to accomplishing the purposes of Division 27 of the Water Code as such Application would prevent, hinder or delay DWR's duties under Division 27. AB 1X mandates that CERS provide continual expertise in energy related matters until the repeal of Division 27 of the Water Code.

**California Department of Water Resources
California Energy Resources Scheduling
Invitation for Bid 10111040
CERS Natural Gas Management Evaluation**

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1. Purpose and Description of Services

The successful Bidder will monitor, evaluate and provide advice on DWR/CERS' current natural gas activities and processes to ensure they are in accordance with best industry practices.

As a result of the California electricity crisis in January 2001, CERS was created pursuant to AB 1X. CERS was directed to procure electricity on behalf of the California customers of the three Investor Owned Utilities Pacific Gas and Electric (PG&E), Southern California Edison (SCE), and San Diego Gas and Electric (SDG&E). Since 2001, CERS has negotiated, administered, and managed over 50 Long-Term Power Purchase Agreements (PPAs), several of which include natural gas tolling provisions and will remain in effect through 2011. The IOUs act as DWR/CERS limited agents for dispatching, scheduling, billing, and settlement functions including natural gas.

The complete Scope of Work is attached (See Attachment 2).

Questions regarding this IFB should be transmitted by U.S. mail, hand delivery, fax, or e-mail to Gurdip Rehal at the following address, fax number or e-mail address no later than May 17, 2006:

Mail or Hand Delivery:

Department of Water Resources
California Energy Resources Scheduling
3310 El Camino Avenue, Suite 120
Sacramento, California 95821-9001
Attn: Gurdip Rehal, Validation Manager

Fax Number: (916) 574-2214

E-mail: grehal@water.ca.gov

2. Statement of Qualifications

Bidders must have an extensive knowledge of the natural gas market in the Western United States with an expertise in gas supplies, pipeline transportation and storage serving California. Bidders must also have a thorough knowledge of natural gas risk management and natural gas transactions, value at risk calculations and mark-to-market reporting. Personnel to be assigned to this project by the Bidder should have experience in managing natural gas supply for large natural gas users, marketers and/or producers.

To demonstrate the qualifications of Bidder's proposed personnel, the proposal shall include the following information for the firm and each assigned person(s):

- The name(s) and role(s) of each proposed person.
- Details documenting experience and special capabilities directly related to management of natural gas procurement, supply, transportation and/or storage.
- A full description of previous experience in performing similar work that is described in Section 1 of this IFB.
- Names of references from previous work performed by the firm and assigned person(s), including dates of performance, client(s)' names, contact persons, e-mail addresses, telephone numbers, and work performed.

3. **Submission of Proposal**

- a. Proposals shall provide straightforward and concise descriptions of the Bidder's ability to satisfy the requirements of this IFB. The proposal must be complete and accurate. Omissions, inaccuracies or misrepresentations will be sufficient cause for rejection of a proposal.
- b. All proposals must be submitted under **sealed** cover and received by DWR/CERS **on or before 4:00 p.m. 05/22/2006**. Proposals must be submitted to the following address:

Department of Water Resources
California Energy Resources Scheduling
3310 El Camino Avenue, Suite 120
Sacramento, California 95821-9001
Attn: Stephanie King

Proposals received after this date and time will not be considered

- c. Four (4) photocopies of the proposal, in addition to the original, must be submitted.
- d. One (1) original proposal must be marked "**ORIGINAL COPY**". All documents in the original proposal package must have original signatures and must be signed by a person authorized to bind the Bidder in agreement with DWR/CERS.

4. DWR/CERS Terms and Conditions

Conflict of Interests

Certain conditions may render a Bidder unable to provide impartial natural gas management services or otherwise result in a biased performance. Certain financial interests, especially those in one or more of the IOUs or other natural gas market participants (suppliers, pipeline owners/operators, storage owners/operators, risk management providers, etc.) will prevent a Bidder from providing unbiased services. In order to properly evaluate the proposal, each Bidder shall disclose the following for the firm and each proposed assigned person(s) to conduct the work:

- a. Any (i) current contract with, (ii) investment of \$2,000 or greater in, or (iii) income of more than \$500 within the last twelve months from, any of the IOUs, any natural gas market participant or any parent or subsidiary. For contracts, provide the firm's name, the nature, scope and duration of the work and the total monetary value.
- b. Prior contracts (last 2 years) with any of the IOUs, natural gas market participants of any parent or subsidiary.
- c. Any active proposals with the IOUs or other natural gas market participants, their parents, subsidiaries or otherwise related businesses.
- d. Each Bidder shall provide a statement, signed by the firm's principal attesting that the information provided in response to Section 4 is correct and to the best of that person's knowledge.

5. Proposal Requirements

a. Bidder's Work Plan

Bidder shall submit a detailed work plan for accomplishing the tasks described in Attachment 2, Scope of Work. The work plan should include a description of the Bidder's management procedures for providing natural gas management services to major gas users. Bidders shall describe the firm's processes for controlling expenditures.

b. Cost Detail

Each Bidder shall submit billing rates for each proposed person(s) to be assigned to the work. Each billing rate shall be inclusive of all costs (labor, overhead, fees) other than travel expenses, which shall be billed to DWR/CERS at State approved reimbursement rates. Bidders should also estimate the number of monthly hours required to perform the work and resulting monthly costs, with enough detail to evaluate the estimates.

6. Selection Criteria and Evaluation

Bids will be evaluated on the basis of the following criteria:

- a. Relevant Experience
- b. Knowledge of California Natural Gas Markets and Operations
- c. Understanding of DWR/CERS Statutory Obligations and the CPUC Operating Order.
- d. Bidder's Proposed Approach to Provide the Requested Services
- e. Proposed Cost of requested Services.

7. Contract Obligations and Requirements

Upon successful negotiations with the selected Bidder, the contract terms and conditions shall be defined in Exhibit D attached to the Agreement. See Attachment 5.

The selected Bidder must comply with the following requirements:

- a. The selected Bidder shall not make public information releases without the advance written permission of DWR/CERS.
- b. The selected Bidder, upon award of contract, shall execute a Confidentiality Agreement Regarding AB 1X-Related Information.
- c. The selected Bidder and all personnel assigned to work on the project, upon award of contract, shall execute a Non-Disclosure Agreement(s).
- d. The selected Bidder, upon award of contract, shall provide a completed Payee Data Record (STD 204). See Attachment 7.
- e. If any court of final jurisdiction holds any non material provision of this Agreement invalid or unenforceable, it is the intent of the parties that all other provisions of this Agreement be interpreted to remain fully valid, enforceable, and binding on the parties.

The contract between the selected applicant and DWR/CERS shall include the following State Contract requirements:

1. Contract shall be written on a Standard Agreement (STD 213). A Sample of STD 213 is provided in Attachment 1.
2. Scope of Work, Exhibit A as provided in Attachment 2.
3. Budget Detail and Payment Provisions, Exhibit B as provided in Attachment 3. These State invoicing and payment provisions are incorporated as part of the contract.
4. General Terms and Conditions (GTC 306), Exhibit C as provided in Attachment 4. These State General Terms and Conditions are incorporated as part of the Contract.
5. Special Terms and Conditions for Department of Water Resources Contracts, Exhibit D as provided in Attachment 5. These Special Terms and Conditions are incorporated as part of the Contract. Attachment 5 (a) contains the Recycled Content Certification Form which must be completed and signed by the Contractor.
6. Additional Provisions, Exhibit E as provided in Attachment 6. These Additional Provisions are incorporated as part of the Contract. Paragraph 3 of the Additional Provisions addresses travel and per diem expenses to be reimbursed under this Contract. See Attachment 6 (a) for details. Paragraph 6 of the Additional Provisions addresses the Political Reform Act.

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

ATTACHMENT 1

	AGREEMENT NUMBER
	REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

CONTRACTOR'S NAME

2. The term of this Agreement is: _____ through _____

3. The maximum amount \$ _____ of this Agreement is:

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work

pages

Exhibit B – Budget Detail and Payment Provisions

pages

Exhibit C – General Terms and Conditions

pages

Exhibit D – Special Terms and Conditions for Department of Water Resources

pages

Exhibit E – Additional Provisions

Pages

an Asterisk (*) are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

STATE OF CALIFORNIA

AGENCY NAME

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

California Department of General
 Services Use Only

☐ Exempt per:

Attachment 2**EXHIBIT A**
SCOPE OF WORK

The Department of Water Resources through its California Energy Resources Scheduling Division (DWR, CERS, or DWR/CERS) invites a qualified consultant or consulting firm with extensive knowledge and expertise in the natural gas market in the Western United States to submit a proposal. The Bidder must be an expert in natural gas supplies, pipeline transportation and storage serving California, and have a thorough knowledge of natural gas risk management, natural gas transactions, value at risk calculations and mark-to market reporting.

The task should be completed in approximately six (6) months. It consists of an evaluation of the current program. The requested scope of work is outlined below.

1. Review DWR/CERS Natural Gas History Since 2003 When IOUs Started the Administration of the DWR/CERS Contracts

Consultant shall review available Regulatory, Legislative, DWR/CERS administrative, and other historical documents to develop a working knowledge of DWR/CERS' involvement in supplying natural gas under its tolling agreements since 2003.

2. Review Operating Agreements, Operating Order and Fuel Protocols

Consultant shall review and develop a thorough working knowledge of the provisions of the Operating Order applicable to Southern California Edison Company and the Operating Agreements between DWR/CERS and Pacific Gas and Electric Company and DWR/CERS and San Diego Gas & Electric Company (as well as related CPUC Decisions), which address the parties' obligations concerning fuel management responsibility. Consultant shall also review and develop a thorough working knowledge of Fuel Protocols provided by DWR/CERS to the IOUs which further address the IOUs' and DWR/CERS' fuel responsibilities.

3. Review the Most Recent Semi-Annual Gas Supply Plans Approved by the CPUC for PG&E, SCE, and SDG&E

Develop a thorough understanding of each IOU's physical gas procurement plans and activities and financial hedging strategies and objectives.

4. Review Current DWR/CERS Natural Gas Activities and Processes

Determine current DWR/CERS natural gas activities by conducting interviews of key DWR/CERS management and staff personnel involved in natural gas activities. Review DWR/CERS staff documents which reflect current processes and procedures.

5. Evaluate Current Natural Gas Activities and Processes

Within ninety days of executing a contract for this work, Consultant shall, after completion of Section 4 above, assess DWR/CERS natural gas administration program with respect to its duties and obligations required under Section 2 above to determine if they are consistent with best industry practices and make recommendations, if any, for improvement. Determine if PG&E, SCE and SDG&E physical gas procurement and hedging activities identified in Section 3 above are consistent with DWR/CERS objectives and make recommendations for improvement.

6. Define the role and responsibilities

Determine the role and responsibilities of DWR/CERS vis-à-vis CPUC and IOUs in managing natural gas requirements for CERS' power purchase agreements. Recommend the adequacy of processes at CDWR, IOUs and CPUC to manage natural gas requirements of CERS power purchase agreements. Make recommendations for improvement in the processes where necessary.

7. Special Services at Request of DWR/CERS Management

Provide timely responses as necessary under task orders to inquiries and requests for information from DWR/CERS management. This may include special data reports, management briefings and presentations, and other materials, as required on subjects such as forward market price, gas storage, and pipeline capacity into California.

8. Proposed Report and Invoice Schedule

Selected consultant or consulting firm shall submit reports on a monthly basis detailing the progress of evaluation and recommendations. Reports shall be completed and submitted as follows:

- 1st Month: Review history of CERS Natural Gas Management shall be due on or before August 15, 2006. Detailed invoice of services performed by consultant personnel to be submitted.
- 2nd Month: First Draft of consultant's initial evaluation and recommendations for CERS natural gas management shall be due on or before September 15, 2006. Detailed invoice of services performed by consultant personnel to be submitted.
- 3rd Month: Final Consultant's Evaluation and Recommendation Report due on or about October 15, 2006. Detailed invoice of services performed by consultant personnel to be submitted.
- 4th Month: First status report on progress towards implementing consultant recommendations due on or about November 15, 2006. Detailed invoice of services performed by consultant personnel to be submitted.
- 5th Month: Second status report on implementation of consultant recommendations. Consultant shall also submit a report with regard to new processes established and their affect on the CERS natural gas management. Reports to be submitted on or before December 15, 2006. Detailed invoice of services performed by consultant personnel to be submitted.
- 6th Month: Final Consultant Report due on or about January 15, 2007. Detailed invoice of services performed by consultant personnel to be submitted. Review and evaluation of consultant and personnel regarding work performance.

Attachment 3**EXHIBIT B****BUDGET DETAIL AND PAYMENT PROVISIONS**

- I. **INVOICING AND PAYMENT:** Invoices shall be submitted pursuant to *Reporting and Fee Schedule, Exhibit B, Attachment 1*, attached hereto and made a part of this agreement by this reference. Invoices are to be submitted in arrears, bearing the contract number, and must be submitted within 60 days of the last day in which the work was performed.

Contractor will submit two (2) copies of the invoice to the Contract Manager, as follows, for work that has been approved. **The State will not accept an invoice for work that has not been approved and will return the invoice as a disputed invoice to the Contractor.**

**Gurdip Rehal, Validation Manager
California Energy Resources Scheduling
P.O. Box 219001
3310 El Camino Avenue, Suite 120
Sacramento, California 95821-9001**

Undisputed invoices shall be paid within 45 days of the date received by the Contract Manager and/or the Accounting Office, whichever date occurs later.

- II. **BUDGET CONTINGENCY CLAUSE:** It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either: cancel this Agreement with no liability occurring to the State, or offer an Agreement Amendment to Contractor to reflect the reduced amount.

- III. **PROMPT PAYMENT CLAUSE:** Payment will be made in accordance with and within the time specified in Government Code, Chapter 4.5 (commencing with Section 927).

**EXHIBIT B, ATTACHMENT 1
REPORTING AND FEE SCHEDULE**

Consultant shall submit updates on a monthly basis detailing the progress of evaluation and recommendations and implementations. Reports shall be completed and submitted as follows:

- 1st Month: Review history of CERS Natural Gas Management and prepare initial findings which shall be due on or before August 15, 2006. Detailed invoice of services performed by consultant personnel to be submitted.
- 2nd Month: First Draft of consultant's initial evaluation and recommendations for CERS natural gas management shall be due on or before September 15, 2006. Detailed invoice of services performed by consultant personnel to be submitted.
- 3rd Month: Final Consultant's Evaluation and Recommendation Report due on or about October 15, 2006. Detailed invoice of services performed by consultant personnel to be submitted.
- 4th Month: First status report on progress towards implementing consultant recommendations due on or about November 15, 2006. Detailed invoice of services performed by consultant personnel to be submitted.
- 5th Month: Second status report on implementation of consultant recommendations. Consultant shall also submit a report with regard to new processes established and their affect on the CERS natural gas management. Reports to be submitted on or before December 15, 2006. Detailed invoice of services performed by consultant personnel to be submitted.
- 6th Month: Final Consultant Report due on or about January 15, 2007. Detailed invoice of services performed by consultant personnel to be submitted. Review and evaluation of consultant and personnel regarding work performance.

Attachment 4**EXHIBIT C****GENERAL TERMS AND CONDITIONS****THIS IS A PLACEHOLDER PAGE**

The language found at the DGS Internet site will become part of the Agreement. All language found under the "Exhibit C – General Terms and Conditions" header at the DGS Internet site is hereby referenced and incorporated into this Agreement.

NOTE: Under the standardized contract process "Exhibit C" is **not included** as a paper copy in the standard agreement package. As indicated on the STD 213 face sheet, a copy of "Exhibit C" can be found at Internet site:

<http://www.ols.dgs.ca.gov/Standard+Language>

NOTE: If you do not have internet capabilities, you may request a hard copy of "Exhibit C" by contacting the person listed below:

CERS Contract Coordinator
Stephanie King
(916) 574-0297

Attachment 5

**EXHIBIT D – Special Terms and Conditions For
Department of Water Resources
(Over \$5,000 Standard Payable)**

1. EXCISE TAX: The State of California is exempt from Federal Excise Taxes, and no payment will be made for any taxes levied on employees' wages.
2. RESOLUTION OF DISPUTES: In the event of a dispute, Contractor shall file a "Notice of Dispute" with the Director or the Director's Designee within ten (10) days of discovery of the problem. The State and Contractor shall then attempt to negotiate a resolution of such claim and, if appropriate, process an amendment to implement the terms of any such resolution. If the State and Contractor are unable to resolve the dispute, the decision of the Director or the Director's Designee shall be final.

In the event of a dispute, the language contained within this agreement shall prevail over any other language including that of the bid proposal.

3. PAYMENT RETENTION CLAUSE: Ten percent of any progress payments that may be provided for under this contract shall be withheld per Public Contract Code Section 10346 pending satisfactory completion of all services under the contract.
4. AGENCY LIABILITY: The Contractor warrants by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.
5. GENERAL LIABILITY: Contractor shall indemnify, defend, and hold harmless the State, its directors, officers, managers, partners, agents, and employees from and against any and all liability, claims, demands, damages, losses, and expenses, including but not limited to attorney's fees, arising out of acts, errors, or omissions by Contractor in connection with performance of services required by this Agreement. Liability claims, demands, damages, losses, or expenses resulting from the negligent acts, errors, or omissions, whether active or passive,

by the State, its directors, managers, partners, agents, employees, or by others, are excluded from Contractor's obligations pursuant to this paragraph.

6. POTENTIAL SUBCONTRACTORS: Nothing contained in this Agreement or otherwise shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor agrees to be fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or enforce the payment of any moneys to any subcontractor. In no event shall the Contractor hire subcontractors to perform any work under this Agreement without the express approval of the State.
7. SUBCONTRACTING: The Contractor is responsible for any work it subcontracts. Subcontracts must include all applicable terms and conditions of this Agreement. Any subcontractors, outside associates, or consultants required by the Contractor in connection with the services covered by this Agreement shall be limited to such individuals or firms as were specifically identified in the bid or agreed to during negotiations for this Agreement, or as are specifically authorized by the Contract Manager during the performance of this Agreement. Any substitutions in, or additions to, such subcontractors, associates or consultants shall be subject to prior written approval of the Contract Manager. Contractor warrants, represents and agrees that it and its subcontractors, employees and representatives shall at all times comply with all applicable laws, codes, rules and regulations in the performance of this Agreement. Should State determine that the work performed by a subcontractor is substantially unsatisfactory and is not in substantial accordance with the contract terms and conditions, or that the subcontractor is substantially delaying or disrupting the process of work, State may request substitution of the subcontractor.
8. RENEWAL OF CCC: Contractor shall renew the Contractor Certification Clauses or successor documents every three (3) years or as changes occur, whichever occurs sooner.
9. REPORT OF RECYCLED CONTENT CERTIFICATION: In accordance with Public Contract Code Sections 10233, 10308.5 and 10354, the Contractor must complete and return the form DWR 9557, Recycled Content Certification, for each required product to the Department at the conclusion of services specified in this contract. Form DWR 9557 is attached to this Agreement as Exhibit D, Attachment 1, and made part of this Agreement by this reference.
10. TERMINATION CLAUSE: The State may terminate this Agreement without cause upon thirty (30) days advance written notice. The Contractor shall be reimbursed for all reasonable expenses incurred up to the date of termination.

11. COMPUTER SOFTWARE: For contracts in which software usage is an essential element of performance under this Agreement, the Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
12. PRIORITY HIRING CONSIDERATIONS: For contracts, other than consulting services contracts, in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by this Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200. (Public Contract Code Section 10353).
13. EQUIPMENT RENTAL AGREEMENTS: This provision shall apply to equipment rental agreements. The State shall not be responsible for loss or damage to the rented equipment arising from causes beyond the control of the State. The State's responsibility for repairs and liability for damage or loss to such equipment is restricted to that made necessary or resulting in the negligent act or omission of the State or its officers, employees, or agents.
14. CONFLICT OF INTEREST:
 - a. Current and Former State Employees: Contractor should be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with this Agreement, the awarding agency must be contacted immediately for clarification.
 - (1) Current State Employees: (PCC §10410)
 - (a) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
 - (b) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.
 - (2) Former State Employees: (PCC §10411)
 - (a) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

- (b) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract with the twelve-month period prior to his or her leaving state service.

b. Penalty for Violation:

- (a) If the Contractor violates any provisions of the above paragraphs, such action by Contractor shall render this Agreement void. (PCC §10420)

c. Members of Boards and Commissions:

- (a) Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC §10430(e))

d. Representational Conflicts of Interest:

The Contractor must disclose to the DWR Program Manager any activities by Contractor or subcontractor personnel involving representation of parties, or provision of consultation services to parties, who are adversarial to DWR. DWR may immediately terminate this Agreement if the Contractor fails to disclose the information within a timely manner as required by this section. DWR may immediately terminate this Agreement if any conflicts of interest cannot be reconciled with the performance of services under this contract.

e. Financial Interest in Contracts:

Contractor should also be aware of the following provisions of Government Code §1090:

“Members of the Legislature, state, county district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.”

f. Prohibition for Consulting Services Contracts:

For consulting services contracts (see PCC §10335.5), the Contractor and any subcontractors (except for subcontractors who provide services amounting to 10 percent or less of the contract price) may not submit a bid/SOQ, or be awarded a contract, for the provision of services, procurement of goods or supplies or any other related action which is required, suggested, or otherwise deemed appropriate in the end product of such a consulting services contract (see PCC §10365.5).

Attachment 5 (a)State of California
Agency

DEPARTMENT OF WATER RESOURCES

The Resources

RECYCLED CONTENT CERTIFICATION FORM

To be completed by the vendor/bidder/contractor and returned to:

DEPARTMENT OF WATER RESOURCES
 Recycling Coordinator
 Purchasing Services Office
 1416 Ninth Street, Room 354, Sacramento, CA 95814
 (916) 654-0533 FAX: (916) 653-6543

COMPANY: _____

PERSON COMPLETING FORM: _____

DATE: _____

DESCRIPTION Please include item name and product number	PERCENT RECYCLED BY WEIGHT		RECYCLED MATERIAL TYPE	BRAND
	% POSTCONSUMER (1)	% TOTAL RECYCLED CONTENT (2)		

This form must be completed, signed, and returned by vendor, bidder, and/or contractor. State law requires any and all recycled content of a product to be disclosed to the State by the manufacturer or supplier of the product. If a product contains no recycled content, either post consumer or secondary material, the vendor/bidder/contractor shall so certify.

POST CONSUMER (1) materials are defined as only those materials that have been disposed of as a solid waste at the completion of their life cycle. Secondary material (i.e., manufacturing waste) **should not** be counted in this percentage. The post-consumer content is usually the second percentage in the description of the item's recycled content. In the example description below, the "40%" is the POST CONSUMER recycled content.

TOTAL RECYCLED CONTENT (2) is the sum total of **ALL** recycled content in the item including both secondary and post-consumer materials. Usually this percentage is shown as the first percentage in a recycled content description such as "Carton contains 100% recycled fiber, and 40% post consumer fiber." In this example, the "100%" is the TOTAL recycled content.

Public Contract Code Sections 10233, 10308.5, 10354, and 12205(a) require certification in writing, under penalty of perjury, to the State agency awarding a contract, the minimum, if not the exact, percent of postconsumer and secondary material in the products, materials, goods, or supplies offered or sold.

I certify that the above information is true. I further certify that these environmental claims for recycled content regarding these products are consistent with the Federal Trade Commission's Environmental Marketing Guidelines in accordance with PCC 12404. These guidelines are available at <http://www.ftc.gov/bcp/qmr/rule/guides980427.htm>.

NAME OF PERSON COMPLETING FORM	TITLE	AGENCY/COMPANY
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SIGNATURE OF PERSON COMPLETING FORM

DATE

Attachment 6**EXHIBIT E**
ADDITIONAL PROVISIONS

1. **COPYRIGHT:** All rights in copyright works created by the Contractor in the performance of work under this agreement are the property of the State.
2. **PROPRIETARY RIGHTS:**
 - a) All inventions, discoveries, intellectual property, technical communications and records originated or prepared by the Contractor pursuant to this Contract including papers, reports, charts, computer programs, and other Documentation or improvements thereto, and records relating to this Contract (collectively, the "Work Product"), shall be the property of the State.
 - b) The State will have Government Purpose Rights to the Work Product as delivered to the State hereunder. "Government Purpose Rights" are the unlimited, irrevocable, worldwide, perpetual, royalty-free, non-exclusive rights and licenses to use, modify, reproduce perform, release, display, create derivative works from, and disclose the Work Product. "Government Purpose Rights" also include the right to release or disclose the Work Product outside the State for any State government purpose and to authorize recipients to use, modify, reproduce, perform, release, display, creative derivative works from, and disclose the Work Product for any State government purpose. Such recipients of the Work Product may include, without limitation, State Contractors, California local governments, the U.S. federal government, and the State and local governments of other states. "Government Purpose Rights" do not include any rights to use, modify, reproduce, perform, release, display, create derivative works from, or disclose the Work Product for any commercial purpose.
 - c) The ideas, concepts, know-how, or techniques relating to data processing, developed during the course of this Contract by the Contractor or jointly by the Contractor and the State may be used by either party without obligation or notice or accounting.
 - d) "Pre-Existing Materials" means Software and/or other materials developed or otherwise obtained by or for Contractor or its affiliates independently of this Contract or applicable purchase order. All Pre-Existing Materials are and will remain Contractor's exclusive property, subject to the Government Purpose Rights provisions in sub-section b) above.
3. **REIMBURSEMENT CLAUSE:** If applicable, travel and per diem expenses to be reimbursed under this contract shall be at the same rates the State provides for unrepresented employees in accordance with the provisions of Title 2, Chapter 3, of the California Code of Regulations. Travel and Per Diem Expenses, has been attached and labeled as Attachment 1. Contractor's designated headquarters for the purpose of computing such expenses shall be: (Contractor's Headquarters address to be inserted)

4. CONSULTANT – STAFF EXPENSES: The Contractor represents that it has or shall secure at its own expense, all staff required to perform the services described in this Agreement. Such personnel shall not be employees of or have any contractual relationship with any governmental entity.
5. EVALUATION OF CONTRACTOR FOR CONSULTANT AGREEMENTS: Performance of the Contractor under this Agreement will be evaluated. At the conclusion of the contract, the evaluation shall be prepared on Contract/Contractor Evaluation Sheet, STD. 4 and forwarded to the Contract Services Office where they will be filed. A copy of any negative evaluation for contracts over \$5,000 will be sent to the Department of General Services, Office of Legal Services.
6. POLITICAL REFORM ACT: DWR/CERS has determined the work under Exhibit A, Scope of Work, performed by Contractor is not that of a consultant under FPPC Guidelines.

Attachment 6 (a)State of California
Agency

DEPARTMENT OF WATER RESOURCES

The Resources

TRAVEL AND PER DIEM EXPENSES**I. SHORT-TERM PER DIEM EXPENSES**

- A. In computing reimbursement for continuous short-term travel of more than 24 hours and less than 31 consecutive days, the employee will be reimbursed for actual costs up to the maximum allowed for each meal, incidental, and lodging expense for each complete 24 hours of travel, beginning with the traveler's times of departure and return, as follows:

1. On the first day of travel on a trip of 24 hours or more:

Trip begins at or before 6 a.m.	Breakfast may be claimed on the first day.
Trip begins at or before 11 a.m.	Lunch may be claimed on the first day.
Trip begins at or before 5 p.m.	Dinner may be claimed on the first day.

2. On the fractional day of travel at the end of a trip of more than 24 hours:

Trip ends at or after 8 a.m.	Breakfast may be claimed.
Trip ends at or after 2 p.m.	Lunch may be claimed.
Trip ends at or after 7 p.m.	Dinner may be claimed.

If the fractional day includes an overnight stay, receipted lodging may also be claimed. No meal or lodging expense may be claimed or reimbursed more than once on any given date or during any 24-hour period.

3. Reimbursement shall be for actual expenses, subject to the following maximum rates:

Meals:

Breakfast	\$ 6.00	Receipts are not required for regular short-term travel meals
Lunch	\$ 10.00	
Dinner	\$ 18.00	
Incidentals	\$ 6.00	

Lodging:

Statewide	Actual up to \$84.00 plus tax
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When required to conduct State business and obtain lodging in the counties of Los Angeles and San Diego, reimbursement will be for actual receipted lodging to a maximum of \$110 plus tax.

When required to conduct State business and obtain lodging in the counties of Alameda, San Francisco, San Mateo, and Santa Clara, reimbursement will be for actual receipted lodging to a maximum of \$140 plus tax.

If lodging receipts are not submitted, reimbursement will be for meals only at the rates and time frames set forth in B#1 below.

- B. In computing reimbursement for continuous travel of less than 24 hours, actual expenses, up to the maximums in #3 above, will be reimbursed for breakfast and/or dinner and/or lodging in accordance with the following time frames:

1. Travel begins at or before 6 a.m. and ends at or after 9 a.m.: Breakfast may be claimed. Travel begins at or before 4 p.m. and ends at or after 7 p.m.: Dinner may be claimed. If the trip of less than 24 hours includes an overnight stay,

receipted lodging may be claimed. No lunch or incidentals may be reimbursed on travel of less than 24 hours.

2. Employees on short-term travel who stay in commercial lodging establishments or **commercial campgrounds** will be reimbursed for actual lodging expenses substantiated by a receipt. Employees who stay with friends or relatives, or who do not produce a lodging receipt, will be eligible to claim meals only.

II. LONG-TERM TRAVEL AND PER DIEM EXPENSES

A. Employee maintains a separate residence in the headquarters area:

1. Long-term travelers who maintain a permanent residence at their primary headquarters may claim daily long-term lodging up to \$24.00 with a receipt, and long-term meals of \$24.00 for each period of travel from 12 to 24 hours at the long-term location. For travel of less than 12 hours, the traveler may claim either \$24.00 in receipted lodging **or** \$24.00 in long-term meals.

B. Employee does not maintain a separate residence in headquarters area:

1. Long-term travelers who do not maintain a permanent residence at their headquarters may claim daily receipted lodging up to \$12.00, and long-term meals of \$12.00 for each period of travel from 12 to 24 hours at the long-term locations. For travel of less than 12 hours, the travelers may claim either \$12.00 in receipted lodging **or** \$12.00 in long-term meals.

III. MILEAGE REIMBURSEMENT

Reimbursement for personal vehicle mileage is 34 cents per mile.

Reimbursement for personal vehicle mileage using a specialized vehicle that has been modified to accommodate disabilities is 37 cents per mile.

IV. VEHICLE RENTAL

Reimbursement for vehicle rental shall be for actual and necessary costs of such rental and airplane usage shall be allowed at the lowest fare available. Claims for reimbursements shall be allowed upon submittal of the appropriate receipt. Refer to California Code of Regulations, Title 2, Sections 599.627 and 599.628.

STATE OF CALIFORNIA-DEPARTMENT OF FINANCE

PAYEE DATA RECORD**Attachment 7**(Required when receiving payment from the State of California in lieu of IRS W-9)
STD. 204 (Rev. 6-2003)

1	INSTRUCTIONS: Complete all information on this form. Sign, date, and return to the State agency (department/office) address shown at the bottom of this page. Prompt return of this fully completed form will prevent delays when processing payments. Information provided in this form will be used by State agencies to prepare Information Returns (1099). See reverse side for more information and Privacy Statement. NOTE: Governmental entities, federal, State, and local (including school districts), are not required to submit this form.								
2	PAYEE'S LEGAL BUSINESS NAME (Type or Print) <hr/> <table border="1"> <tr> <td data-bbox="418 506 1036 569">SOLE PROPRIETOR—ENTER NAME AS SHOWN ON SSN (Last, First, M.I.)</td> <td data-bbox="1040 506 1451 569">E-MAIL ADDRESS</td> </tr> <tr> <td data-bbox="418 575 927 638">MAILING ADDRESS</td> <td data-bbox="932 575 1451 638">BUSINESS ADDRESS</td> </tr> <tr> <td data-bbox="418 644 927 707">CITY, STATE, ZIP CODE</td> <td data-bbox="932 644 1451 707">CITY, STATE, ZIP CODE</td> </tr> </table>			SOLE PROPRIETOR—ENTER NAME AS SHOWN ON SSN (Last, First, M.I.)	E-MAIL ADDRESS	MAILING ADDRESS	BUSINESS ADDRESS	CITY, STATE, ZIP CODE	CITY, STATE, ZIP CODE
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MAILING ADDRESS	BUSINESS ADDRESS								
CITY, STATE, ZIP CODE	CITY, STATE, ZIP CODE								
3 PAYEE ENTITY TYPE CHECK ONE BOX ONLY	<table border="1"> <tr> <td colspan="2"> ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): <div> <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> ESTATE OR TRUST </div> </td> <td> CORPORATION: <input type="checkbox"/> MEDICAL (e.g., dentistry, psychology, chiropractic, etc.) <input type="checkbox"/> LEGAL (e.g., attorney services) <input type="checkbox"/> EXEMPT (Nonprofit) <input type="checkbox"/> ALL OTHERS </td> </tr> <tr> <td colspan="2"> <input type="checkbox"/> INDIVIDUAL/SOLE PROPRIETOR ENTER SOCIAL SECURITY NUMBER: </td> <td> NOTE: Payment will not be processed without an accompanying taxpayer ID number. </td> </tr> </table>			ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): <div> <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> ESTATE OR TRUST </div>		CORPORATION: <input type="checkbox"/> MEDICAL (e.g., dentistry, psychology, chiropractic, etc.) <input type="checkbox"/> LEGAL (e.g., attorney services) <input type="checkbox"/> EXEMPT (Nonprofit) <input type="checkbox"/> ALL OTHERS	<input type="checkbox"/> INDIVIDUAL/SOLE PROPRIETOR ENTER SOCIAL SECURITY NUMBER:		NOTE: Payment will not be processed without an accompanying taxpayer ID number.
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<input type="checkbox"/> INDIVIDUAL/SOLE PROPRIETOR ENTER SOCIAL SECURITY NUMBER:		NOTE: Payment will not be processed without an accompanying taxpayer ID number.							
4 PAYEE RESIDENCY STATUS	<input type="checkbox"/> California resident – Qualified to do business in California or maintains a permanent place of business in California. <input type="checkbox"/> California nonresident (see reverse side) – Payments to nonresidents for services may be subject to State income tax withholding. <input type="checkbox"/> No services performed in California. <input type="checkbox"/> Copy of Franchise Tax Board waiver of State withholding attached.								
5	I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the State agency below. <table border="1"> <tr> <td colspan="2"> AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print) </td> <td> TITLE </td> </tr> <tr> <td> SIGNATURE </td> <td> DATE </td> <td> TELEPHONE () </td> </tr> </table>			AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)		TITLE	SIGNATURE	DATE	TELEPHONE ()
AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)		TITLE							
SIGNATURE	DATE	TELEPHONE ()							
6	Please return completed form to: Department/Office: <u>Department of Water Resources</u> Unit/Section: <u>Fiscal Services Division</u> Mailing Address: <u>1416 9th Street, Room 805</u> City/State/Zip: <u>Sacramento, CA 95814</u> Telephone: (916) <u>654-9179</u> Fax: (916) <u>651-6828</u> E-mail Address: <u>cdavis@water.ca.gov</u>								

PAYEE DATA RECORD**Attachment 7**

STD. 204 (Rev. 6-2003) (REVERSE)

1	<p>Requirement to Complete Payee Data Record, STD. 204</p> <p>A completed Payee Data Record, STD. 204, is required for payments to all non-governmental entities and will be kept on file at each State agency. Since each State agency with which you do business must have a separate STD. 204 on file, it is possible for a payee to receive this form from various State agencies.</p> <p>Payees who do not wish to complete the STD. 204 may elect to not do business with the State. If the payee does not complete the STD. 204 and the required payee data is not otherwise provided, payment may be reduced for federal backup withholding and nonresident State income tax withholding. Amounts reported on Information Returns (1099) are in accordance with the Internal Revenue Code and the California Revenue and Taxation Code.</p>								
2	<p>Enter the payee's legal business name. Sole proprietorships must also include the owner's full name. An individual must list his/her full name. The mailing address should be the address at which the payee chooses to receive correspondence. Do not enter payment address or lock box information here.</p>								
3	<p>Check the box that corresponds to the payee business type. Check only one box. Corporations must check the box that identifies the type of corporation. The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State provide their Taxpayer Identification Number (TIN). The TIN is required by the California Revenue and Taxation Code Section 18646 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the Internal Revenue Code Section 6109(a).</p> <p>The TIN for individuals and sole proprietorships is the Social Security Number (SSN). Only partnerships, estates, trusts, and corporations will enter their Federal Employer Identification Number (FEIN).</p>								
4	<p>Are you a California resident or nonresident?</p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:</p> <table border="0"> <tr> <td>Withholding Services and Compliance Section:</td> <td>1-888-792-4900</td> <td>E-mail address:</td> <td>wscs.gen@ftb.ca.gov</td> </tr> <tr> <td>For hearing impaired with TDD, call:</td> <td>1-800-822-6298</td> <td>Website:</td> <td>www.ftb.ca.gov</td> </tr> </table>	Withholding Services and Compliance Section:	1-888-792-4900	E-mail address:	wscs.gen@ftb.ca.gov	For hearing impaired with TDD, call:	1-800-822-6298	Website:	www.ftb.ca.gov
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For hearing impaired with TDD, call:	1-800-822-6298	Website:	www.ftb.ca.gov						
5	<p>Provide the name, title, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p>								
6	<p>This section must be completed by the State agency requesting the STD. 204</p> <p>Privacy Statement</p> <p>Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, State, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.</p> <p>It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and State law imposes noncompliance penalties of up to \$20,000.</p> <p>You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the State agency(ies) with which you transact that business.</p> <p>All questions should be referred to the requesting State agency listed on the bottom front of this form.</p>								